

## Message Text

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ORIGIN SS-15

INFO OCT-01 ISO-00 SSO-00 CCO-00 /016 R

66011

DRAFTED BY S/S-O:DCAMP

APPROVED BY S/S-O:DCAMP

-----069321 312341Z /64

O 312305Z MAR 78 ZFF4

FM SECSTATE WASHDC

TO USDEL SECRETARY IMMEDIATE

C O N F I D E N T I A L STATE 083585 TOSEC 030148

EXDIS ALSO PASS BRZEZINSKI

FOL RPT ATHENS 2686 ACTION SECSTATE INFO ANKARA LONDON  
NICOSIA USNATO 31 MAR 78 QUOTE

C O N F I D E N T I A L ATHENS 2686

EXDIS

PASS PRESIDENT'S PARTY FOR SECRETARY  
LONDON FOR DEPUTY SECRETARY

E.O. 11652: GDS

TAGS: PEPR, TU, GR, CY, US

SUBJECT: BRIEFING OF THE GOVERNMENT OF GREECE ON EAST  
MEDITERRANEAN POLICY DECISIONS

REF: BONN 5705

1. SUMMARY: THE AMBASSADOR BRIEFED ACTING FOREIGN MINISTER  
AVEROFF MARCH 31 ON THE PRESIDENT'S DECISIONS WITH RESPECT TO  
OUR MILITARY ASSISTANCE PACKAGE FOR TURKEY AND GREECE ON THE BASIS  
OF THE TALKING POINTS IN REFTEL AND THE AMBASSADOR'S DISCUSSIONS  
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WITH THE DEPUTY SECRETARY AND HIS PARTY. AFTER LISTENING CARE-  
FULLY TO THE PRESENTATION AVEROFF COMMENTED CALMLY BUT SOMBERLY  
THAT THE REACTION HERE WILL BE UNFAVORABLE AND WILL BE EXPLOITED  
BY THOSE WHO SEEK TO UNDERMINE US-GREEK RELATIONS AND WEAKEN  
GREECE'S TIES WITH THE WEST. HE SAID HIS MAIN CONCERN WAS THAT  
THE EFFECT OF OUR ACTIONS WOULD BE TO DISRUPT THE EXISTING  
MILITARY BALANCE WITH TURKEY, WITH THE DANGER THIS COULD LEAD  
EVENTUALLY TO A MILITARY CONFRONTATION IN THE AEGEAN. IF THE  
BALANCE IS DISTURBED, HE SAID, THERE COULD WELL BE A RENEWED ARMS  
RACE BECAUSE GREECE WOULD HAVE TO STEP UP ITS EFFORTS TO MAINTAIN

THE BALANCE. AVEROFF WONDERED WHAT ASSURANCES THE U.S. MIGHT BE ABLE TO OFFER CONCERNING GREECE'S SECURITY AND ADDED THAT PERHAPS IT WOULD BE USEFUL TO REAFFIRM THE APRIL 1976 KISSINGER-BITSIOS EXCHANGE OF LETTERS ON THE AEGEAN OR MAKE SOME OTHER SIMILAR STATEMENT AT THE TIME THE ANNOUNCEMENT OF THE PRESIDENT'S DECISIONS IS MADE. HE SAID HE WOULD LIKE US TO CONSIDER THIS. IN ADDITION, THE GOG ASKED FOR A CLARIFICATION OF WHAT ADDITIONAL MILITARY SUPPLIES MIGHT BECOME AVAILABLE TO TURKEY AS A RESULT OF THE LIFTING OF THE EMBARGO BEYOND ITEMS THAT HAD BEEN FROZEN IN THE PIPELINE AND WHAT THE TERMS OF THE SECURITY SUPPORTING ASSISTANCE LOAN TO TURKEY WOULD BE. END SUMMARY.

2. THE AMBASSADOR CALLED ON DEFENSE MINISTER AVEROFF MARCH 31 IN HIS CAPACITY OF ACTING FOREIGN MINISTER IN THE ABSENCE OF PAPALIGOURAS WHO IS ACCOMPANYING PRIME MINISTER CARAMANLIS ON HIS VISIT TO CERTAIN WEST EUROPEAN CAPITALS. AVEROFF HAD WITH HIM DEPUTY FOREIGN MINISTER ZAIMIS AND MFA DIRECTOR GENERAL FOR POLITICAL AFFAIRS TZOUNIS. THE AMBASSADOR WAS ACCOMPANIED BY THE DCM AND THE POLITICAL COUNSELOR. IN BRIEFING AVEROFF THE AMBASSADOR DREW ON THE TALKING POINTS IN REFTEL AS WE HAD ELABORATED THEM ON THE BASIS OF THE AMBASSADOR'S DISCUSSIONS YESTERDAY WITH MEMBERS OF THE DEPUTY SECRETARY'S PARTY IN BONN AND HIS COVERATION WITH THE DEPUTY SECRETARY THIS MORNING.

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3. THE AMBASSADOR BEGAN HIS PRESENTATION WITH A BRIEF INTRODUCTION IN WHICH HE REAFFIRMED THAT THE U.S. VALUES AND FULLY SUPPORTS A CLOSE RELATIONSHIP OF FRIENDSHIP AND ALLIANCE WITH GREECE. HE ALSO POINTED OUT THAT, AS AVEROFF COULD ESPECIALLY APPRECIATE IN HIS CAPACITY AS MINISTER OF DEFENSE, THE U.S. CANNOT IGNORE ITS RELATIONSHIP WITH TURKEY OR THE IMPORTANT POSITION WHICH BOTH GREECE AND TURKEY OCCUPY IN THE ATLANTIC ALLIANCE. THE EMBARGO, HE SAID, HAD NOT PRODUCED THE DESIRED RESULTS AND THE WORLD SITUATION REQUIRED THAT U.S. DEFENSE POLICY BE CONCERNED ABOUT THE NEED TO STRENGTHEN NATO'S SOUTHERN FLANK.

4. THE AMBASSADOR THEN DESCRIBED THE PRESIDENT'S DECISIONS ON THE BASIS OF THE TALKING POINTS IN REFTEL. IN REFERRING TO THE GROWING FEELING THAT MULTI-YEAR AID AGREEMENTS ARE NOT DESIRABLE, HE RECALLED THAT PRIME MINISTER CARAMANLIS HAD TAKEN THIS POSITION WHEN THE U.S.-TURKISH DCA WAS FIRST ANNOUNCED. IN NOTING THAT IT HAS BEEN DECIDED NOT TO GO FORWARD WITH THE TURKISH DCA BUT TO NEGOTIATE A NEW AGREEMENT, HE COMMENTED THAT THIS MEANS THERE WILL BE NO U.S. \$1 BILLION COMMITMENT, A COMMITMENT WHICH HAD CAUSED GREAT CONCERN TO THE GOG AND LED TO ITS OWN REQUEST FOR A DCA WITH A MULTI-YEAR AID COMMITMENT. (IN MAKING THE POINT ABOUT THE \$50 MILLION SSA LOAN, HE DID NOT MENTION THE COMPARISON WITH THE LOAN TO PORTUGAL. NOR DID HE MAKE THE SUBSEQUENT POINT ABOUT FREEING ECEVIT FROM THE POLITICAL CONSTRAINTS OF ACTING UNDER PRESSURE.)

5. THE AMBASSADOR CONCLUDED HIS TALKING POINTS AS FOLLOWS:

"OBVIOUSLY THESE DECISIONS WILL NOT BE VIEWED WITH SATISFACTION BY EVERYONE AND THERE ARE DISADVANTAGES AND ADVANTAGES. HOWEVER, IT IS A PACKAGE WHICH WE CONSIDER TO BE BALANCED AND WHICH THE

PRESIDENT WILL WORK FOR IN CONGRESS. THE U.S. AND GREECE HAVE COMMON INTERESTS AND MANY LONG-TERM RELATIONSHIPS. WE WANT TO CONTINUE TO WORK CLOSELY TOGETHER IN THE MONTHS AND YEARS AHEAD.  
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WE ARE AWARE, OF COURSE, THAT THERE IS LIKELY TO BE AN ADVERSE REACTION IN GREECE TO THESE DECISIONS. WE HOPE, HOWEVER, THAT IN EXAMINING THEM CAREFULLY THE GOG WILL FIND THAT, IN FACT, THEY WILL NOT HARM GREECE'S INTERESTS AND SECURITY. THE PRESIDENT HAS DECIDED ON THIS BALANCED PROGRAM IN ORDER TO DEAL WITH OUR RELATIONSHIP WITH TURKEY; THAT IS, IN ORDER TO RESTORE OUR RELATIONSHIP AND PREVENT TURKEY FROM SEEKING TO ESTABLISH RELATIONS ELSEWHERE WHICH WOULD BE INIMICAL NOT ONLY TO U.S. AND ALLIANCE INTERESTS, BUT EQUALLY TO THOSE OF GREECE." AT THE END THE AMBASSADOR INDICATED THAT WE EXPECTED THE WHITE HOUSE WILL ISSUE AN ANNOUNCEMENT ON THESE MATTERS AFTER THE PRESIDENT'S RETURN TO WASHINGTON.

6. FOLLOWING THE REFERENCE TO THE SSA LOAN DURING THE PRESENTATION AMBASSADOR TZOUNIS INTERRUPTED TO ASK WHAT THE TERMS OF THE \$50 MILLION LOAN TO TURKEY WOULD BE. HE SAID HE UNDERSTOOD SUCH LOAN WERE USUALLY CONCESSIONARY AND MENTIONED A 2 PERCENT (SIC) INTEREST RATE AND 30-YEAR TERM. MINISTER AVEROFF ASKED WHETHER THE SSA LOAN COULD BE USED DIRECTLY FOR MILITARY PURCHASES. (WE WOULD APPRECIATE RECEIVING THE DEPARTMENT'S GUIDANCE ON HOW TO RESPOND TO THE REQUEST FOR INFORMATION ABOUT THE TERMS OF THE POTENTIAL TURKISH LOAN.) AVEROFF THEN ASKED WHETHER THE REFERENCE WAS TO RENEGOTIATION OF THE (US-TURKISH) DCA OR (BOTH) DCAS. THE AMBASSADOR STATED WE WERE TALKING ABOUT RENEGOTIATION OF THE TURKISH DCA. WE WOULD NEED TO REVIEW THE SITUATION WITH RESPECT TO THE US-GREEK DCA IN THE LIGHT OF THESE DEVELOPMENTS AND WOULD WELCOME THE GOG'S VIEWS. AVEROFF DID NOT COMMENT ON THIS BUT WENT ON TO ASK WHETHER RENEGOTIATION OF THE TURKISH DCA WOULD BE ON A NEW BASIS. THE AMBASSADOR COMMENTED THAT IN VIEW OF CONGRESSIONAL OPPOSITION TO MULTI-YEAR COMMITMENTS IT WOULD PROBABLY NOT CONTAIN ANY CUMULATIVE AID COMMITMENT. IN ANY CASE, THE DECISION TO RENEGOTIATE THE DCA MEANT THERE WAS NO \$1 BILLION COMMITMENT.  
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7. AVEROFF AND HIS COLLEAGUES LISTENED CAREFULLY AND SOMBERLY TO THE AMBASSADOR'S PRESENTATION, INTERRUPTING ONLY A FEW TIMES TO POSE THE ABOVE QUESTIONS OR TO ASK FOR A REMARK TO BE REPEATED. UPON CONCLUSION OF THE PRESENTATION AVEROFF THANKED THE AMBASSADOR AND THEN ASKED WHAT OTHER "ADDITIONAL MILITARY SUPPLIES" WERE INVOLVED. THE AMBASSADOR MENTIONED THAT SOME ARTICLES WERE FROZEN

IN THE PIPELINE WHEN THE EMBARGO WAS IMPOSED AND COULD BE DELIVERED IF IT WERE LIFTED. TZOUNIS THEN MENTIONED THE APRIL 1976 KISSINGER-CAGLAYANGIL EXCHANGE OF NOTES WHICH COVERED ARTICLES, HE RECALLED, BEYOND THE SOME \$85 MILLION IN THE PIPELINE. HE ASKED WHETHER THOSE WERE ALSO INCLUDED. THE AMBASSADOR REPEATED THAT HE WAS REFERRING ONLY TO THE PIPELINE, AND HE DID NOT KNOW SPECIFICALLY WHAT ITEMS WERE IN THE NOTES TZOUNIS HAD MENTIONED. TZOUNIS THEN ASKED FOR CLARIFICATION OF WHAT ADDITIONAL MILITARY SUPPLIES WOULD BE INVOLVED. PLEASE ADVISE.

8. AVEROFF THEN GAVE HIS SUBSTANTIVE REACTION TO THE DECISIONS. HE SAID THE REACTION HERE WILL BE UNFAVORABLE AND THE PRESIDENT'S DECISIONS WILL BE EXPLOITED BY THOSE WHO SEEK TO FAN ANTI-AMERICANISM, UNDERMINE U.S.-GREEK RELATIONS AND WEAKEN GREECE'S TIES WITH THE WEST. "WE WILL SEE HOW WE CAN ANSWER," HE ADDED. HOWEVER, WHAT PREOCCUPIED HIM MOST, ALTHOUGH HE RECOGNIZED OUR GOOD INTENTIONS AND APPRECIATED WHAT WE WERE SEEKING TO ACCOMPLISH, WAS WHETHER OUR ACTIONS WOULD LEAD TO A DISRUPTION IN THE EXISTING MILITARY BALANCE BETWEEN GREECE AND TURKEY. HE SHARED THE FEAR OF MANY GREEKS THAT THE TURKS HAVE DESIGNS ON THE GREEK ISLANDS OF THE AEGEAN. ANY DISTURBANCE OF THE BALANCE IN FAVOR OF TURKEY COULD RISK A CONFRONTATION OVER THE ISLANDS. "THIS IS OUR PERMANENT AGONY", HE COMMENTED.

9. AVEROFF THEN RECALLED THE APRIL 1976 EXCHANGE OF LETTERS BETWEEN SECRETARY KISSINGER AND FOREIGN MINISTER BITSIOS ON THE AEGEAN. ALTHOUGH, HE SAID, HE DID NOT GIVE MUCH VALUE TO SECURITY GUARANTEES BECAUSE THEY ARE "INEFFICIENT" IN PRACTICAL TERMS,

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THEY DO HAVE A PSYCHOLOGICAL EFFECT. HE WONDERED WHAT SECURITY ASSURANCES THE U.S. COULD OFFER IN THE PRESENT CIRCUMSTANCES AND ASKED IF IT WOULD NOT BE POSSIBLE TO REAFFIRM THE KISSINGER STATEMENT OR MAKE SOME OTHER SUCH STATEMENT AT THE TIME THE DECISIONS CONCERNING AID TO TURKEY ARE ANNOUNCED. "WE WOULD LIKE YOU TO CONSIDER THIS," HE ADDED.

10. WHILE EXPRESSING THE WISH THAT OUR DECISIONS WOULD LEAD WHERE WE WANT THEM TO, I.E. TO THE IMPROVEMENT OF US-TURKISH RELATIONS, AND ALSO, HE HOPED, OF GREEK-TURKISH RELATIONS, HE WAS AFRAID ON THE BASIS OF HIS LONG EXPERIENCE THAT THIS WOULD NOT BE THE CASE. THE "OFFENDING" AND "DIFFICULT" COUNTRY IS MORE LIKELY TO CONCLUDE, HE WENT ON, THAT IT PAYS TO BE DIFFICULT. HOWEVER, HE SAID, "THIS IS YOUR BUSINESS AND YOU MUST DECIDE. IN ONLY HOPE IT WILL NOT LEAD TO AN ARMS RACE." GREECE WOULD HAVE NO CHOICE, HE CONTENDED, BUT TO STEP UP ITS OWN EFFORTS IF IT IS SEEN THAT THE TURKISH ARMED FORCES ARE BEING SERIOUSLY REINFORCED.

11. AVEROFF WENT ON TO EXPLAIN THE REASONS FOR GREEK SUSPICIONS WITH RESPECT TO TURKISH INTENTIONS WHICH LEAD TO GREEK FEARS. STATEMENTS BY TURKISH LEADERS SINCE THE 1974 EVENTS IN CYPRUS HAD

MADE GREEK FEARS BECOME REAL AND SERIOUS. HE CITED AS FURTHER PROOF OF TURKISH DESIGNS ON THE AEGEAN A TURKISH ARMY TRAINING MANUAL WHICH HAD COME TO THE GOG'S ATTENTION RECENTLY WHICH "PREACHES HATE" FOR THE GREEKS AND CLAIMS THE AEGEAN ISLANDS SHOULD BE TURKISH FOR SECURITY REASONS. THE CARAMANLIS-ECEVIT SUMMIT HAD BEEN HELPFUL PSYCHOLOGICALLY AND MAYBE PEACEFUL SOLUTIONS COULD STILL BE FOUND. THIS WAS DESIRABLE. GREECE WANTED PEACE WITH TURKEY. AND TURKEY WANTED PEACE WITH GREECE BUT ON WHAT TERMS? AT THIS POINT, AS THE DISCUSSION ENDED, TZOUNIS EXPRESSED THE HOPE THAT CONSIDERATION WOULD BE GIVEN TO INCLUDING SOMETHING IN THE ANNOUNCEMENT REAFFIRMING THE U.S. COMMITMENT TO THE SECURITY OF GREECE AND THE REGION, PERHAPS A REFERENCE TO THE CONFIDENTIAL

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KISSINGER LETTER.

12. COMMENT: AVEROFF'S REACTION WAS NOT AS STRONG AS IT COULD HAVE BEEN. WE DO NOT THINK WE SHOULD TAKE MUCH COMFORT FROM THIS, HOWEVER, UNTIL WE HEAR FROM CARAMANLIS AND UNTIL THE IMPLICATIONS OF WHAT WE SAID SINK IN. AND ONCE THE ANNOUNCEMENT IS MADE, WE KNOW THAT PAPANDREOU, ZIGDIS, MAVROS AND THE ENTIRE OPPOSITION WILL BE VIRULENT IN THEIR DENUNCIATIONS, WITH A CONSEQUENT IMPACT ON POPULAR GREEK VIEWS. WHILE WE RECOGNIZE THAT THE U.S. CANNOT GIVE THE GOG THE KIND OF SECURITY GUARANTEE IT SEEKS, NOR ARE WE RECOMMENDING IT, WE HOPE THE DEPARTMENT WILL CAREFULLY CONSIDER INCLUDING SOME KIND OF STATEMENT IN THE ANNOUNCEMENT ABOUT THE PRESIDENT'S DECISIONS THAT WILL ALLEVIATE GREEK CONCERNS ABOUT THEIR SECURITY, KEEPING IN MIND THAT IT REMAINS IN OUR INTEREST TO DO WHAT WE CAN TO AVOID UNDERMINING CARAMANLIS' POSITION.

13. IN ADDITION, AS THE AMBASSADOR STATED IN HIS TALKS IN BONN YESTERDAY AND WITH THE DEPUTY SECRETARY TODAY, HE HOPES WE CAN FIND SOME WAY OF RESTORING GREATER SYMMETRY TO THE PACKAGE BY INCLUDING SOME SECURITY SUPPORTING ASSISTANCE FOR GREECE AS WELL, WHICH CAN BE JUSTIFIED ON POLITICAL GROUNDS.  
MCCLOSKEY

UNQUOTE COOPER

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## Message Attributes

**Automatic Decaptioning:** Z  
**Capture Date:** 26 sep 1999  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TOSEC, MILITARY ASSISTANCE, DIPLOMATIC DISCUSSIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 31 mar 1978  
**Decaption Date:** 20 Mar 2014  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STATE083585  
**Document Source:** ADS  
**Document Unique ID:** 00  
**Drafter:** S/S-O:DCAMP  
**Enclosure:** n/a  
**Executive Order:** 11652 GDS  
**Errors:** n/a  
**Expiration:**  
**Film Number:** D780141-0189  
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**Office:** ORIGIN SS  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** EXDIS  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 5  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** EXDIS  
**Reference:** BONN 5705  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
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**Review Date:** 17 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3167559  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** BRIEFING OF THE GOVERNMENT OF GREECE ON EAST MEDITERRANEAN POLICY DECISIONS  
**TAGS:** PEPR, MASS, US, TU, GR, CY  
**To:** SECRETARY  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/606f5ebb-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014